

Exhibit 7

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OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

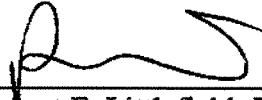
**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK**

In re:

HIGHGATE LTC MANAGEMENT LLC,

Debtor.

So ordered this 24th day of December 2008



Hon. Robert E. Littlefield, Jr.
U.S.B.J.

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**BANKRUPTCY JUDGE
ALBANY, NEW YORK**

Chapter 11

Case No. 07-11068-REL

-----X

**STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to a prior Stipulation and Order of this Court dated November 19, 2008 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (the "Transition Stipulation"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulation; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read January 31, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.
3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the

Budget attached hereto as *Exhibit A*. The Budget may be amended, at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee, and the Unsecured Creditors Committee.

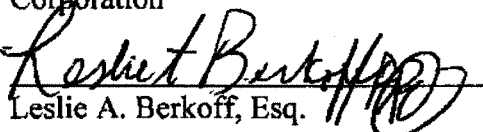
4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for January 21, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: December 2, 2008

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

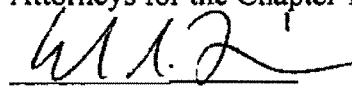
By:


Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By:


Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
Phone: (203) 821-2000

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By: Ted A. Berkowitz
Ted A. Berkowitz, Esq.
1320 Reckson Plaza
Uniondale, New York 11556-1320
Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By: Abraham J. Backenroth
Abraham J. Backenroth, Esq.
489 Fifth Avenue
New York, New York 10017
Tel: 212-593-1100

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STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER
AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY
AND (B) USE CASH COLLATERAL ON A CONSENSUAL
BASIS AND CERTAIN RELATED DEADLINES

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By:

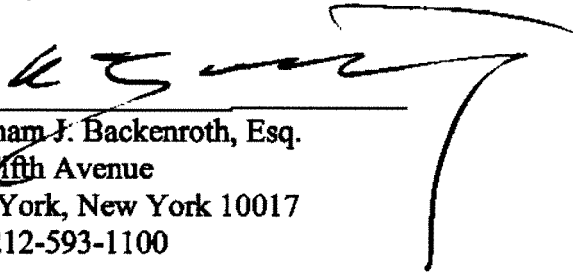
Ted A. Berkowitz, Esq.
1320 Reckson Plaza
Uniondale, New York 11556-1320
Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By:



Abraham J. Backenroth, Esq.
489 Fifth Avenue
New York, New York 10017
Tel: 212-593-1100

| Highgate LTC Management LLC | | Projected Cash Flows | w/e Friday | Projected Balance 01/02/09 | Projected Balance 01/09/09 | Projected Balance 01/16/09 | Projected Balance 01/23/09 | Projected Balance 01/30/09 | January Totals |
|---|--|----------------------|------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------|
| Beginning Cash Book Balance | | | | (250,843) | (452,821) | (276,257) | (67,756) | (130,256) | (250,843) |
| Collections | | | | | | | | | |
| General Deposits | | 75,000 | | 250,000 | | 225,000 | 160,000 | 160,000 | 870,000 |
| Medicaid Deposits | | 271,833 | | 477,129 | | 445,101 | 426,000 | 426,000 | 2,046,063 |
| Medicare Deposits | | 35,000 | | 30,000 | | 35,000 | 210,000 | 45,000 | 355,000 |
| Total Collections | | 381,833 | | 757,129 | | 705,101 | 796,000 | 631,000 | 3,271,063 |
| Cash Available for Disbursements | | 130,989 | | 304,308 | | 428,844 | 728,244 | 500,744 | 3,020,219 |
| Disbursements | | | | | | Projected | | | |
| General Disbursements | | 30,000 | | 30,000 | | 30,000 | 30,000 | 30,000 | 150,000 |
| Pharmacy | | 55,000 | | - | | - | - | - | 55,000 |
| Net Payroll | | 344,445 | | 322,000 | | 322,000 | 322,000 | 322,000 | 1,632,445 |
| Payroll Taxes | | 149,864 | | 136,000 | | 136,000 | 136,000 | 136,000 | 693,864 |
| 401(k) Funding | | 4,500 | | 4,500 | | 4,500 | 4,500 | 4,500 | 22,500 |
| Other Employee Benefits | | - | | - | | - | 150,000 | - | 150,000 |
| Worker's Compensation Premiums | | - | | - | | - | 46,000 | - | 46,000 |
| Insurance Premiums | | - | | 7,565 | | - | 65,000 | - | 72,565 |
| UST Fee | | - | | - | | - | 5,000 | - | 5,000 |
| Receiver Fee | | - | | - | | - | 10,000 | - | 10,000 |
| Bank Line Interest/Bank Fees | | - | | - | | 4,100 | - | - | 4,100 |
| Utilities | | - | | 25,000 | | - | 50,000 | - | 75,000 |
| Physicians | | - | | 40,000 | | - | 40,000 | - | 80,000 |
| Loan/Lease | | - | | 15,500 | | - | - | - | 15,500 |
| Real Estate Taxes | | - | | - | | - | - | - | - |
| Professional/Receiver | | - | | - | | - | - | - | - |
| Professional/Trustee | | - | | - | | - | - | 15,000 | 15,000 |
| Professional/Committee | | - | | - | | - | - | 15,000 | 15,000 |
| Prior Professional | | - | | - | | - | - | - | - |
| Cash receipts assessment | | - | | - | | - | - | - | - |
| Total Disbursements | | 583,810 | | 580,565 | | 496,600 | 858,500 | 522,500 | 3,041,975 |
| Ending Cash Balance | | (452,821) | | (276,257) | | (67,756) | (130,256) | (21,756) | (21,756) |



**Moritt Hock
Hamroff & Horowitz LLP**
ATTORNEYS AT LAW

RUSH

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DEC 23 2008

**BANKRUPTCY JUDGE
ALBANY, NEW YORK**

December 22, 2008

Leslie A. Berkoff, Esq.
Partner
Email: lberkoff@morithock.com

VIA FEDERAL EXPRESS

Susan Skinner
U.S. Bankruptcy Court
Northern District of New York
James T. Foley U.S. Courthouse
445 Broadway, Suite 315
Albany, NY 12207

**Re: Highgate LTC Management, LLC (collectively the "Debtors")
Case No. 07-11068**

Dear Ms. Skinner:

Enclosed herewith please find an executed Stipulation and Order Modifying And Extending The Terms of the Final Order Authorizing the Debtors To: (A) Borrow Money and (B) Use Cash Collateral On A Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that His Honor So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

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DEC 24 2008

OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

LAB:gnl
Encl.

Very truly yours,
Leslie A. Berkoff
LESLIE BERKOFF

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So ordered this 20 day of January 2009


Hon. Robert E. Littlefield, Jr.
U.S.B.J.

RECEIVED
JAN 21 2009
OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK**

In re:

HIGHGATE LTC MANAGEMENT LLC,

Debtor.

Chapter 11

Case No. 07-11068-REL

RECEIVED & FILED

JAN 22 2009
OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

**STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to two prior Stipulations and Order of this Court dated November 19, 2008 and December 24, 2008 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read February 28, 2009.

2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee, and the Unsecured Creditors Committee.

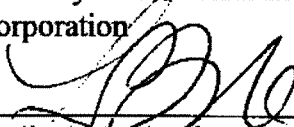
4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for February 25, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: January __, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

By: _____


Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By: _____

Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
Phone: (203) 821-2000

-and-

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee, and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for February 25, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: January 19, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

By: _____

Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By:  _____

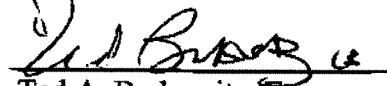
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Phone: (203) 821-2000

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By:



Ted A. Berkowitz, Esq.

1320 Reckson Plaza

Uniondale, New York 11556-1320

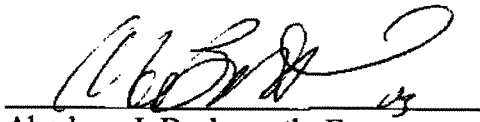
Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By:



Abraham J. Backenroth, Esq.

489 Fifth Avenue

New York, New York 10017

Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

| Highgate LTC Management LLC Projected Cash Flows | Projected Balance 02/06/09 | Projected Balance 02/13/09 | Projected Balance 02/20/09 | Projected Balance 02/27/09 | Projected Balance | February Totals |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------|--------------------|
| w/e Friday | | | | | | |
| Beginning Cash Book Balance | (245,249) | (223,475) | (90,519) | 124,023 | - | (245,249) |
| Collections | | | | | | |
| General Deposits | 75,000 | 250,000 | 225,000 | 160,000 | - | 710,000 |
| Medicaid Deposits | 418,435 | 450,000 | 455,000 | 430,000 | - | 1,753,435 |
| Medicare Deposits | 35,000 | 30,000 | 35,000 | 210,000 | - | 310,000 |
| Total Collections | 528,435 | 730,000 | 715,000 | 800,000 | - | 2,773,435 |
| Cash Available for Disbursements | 283,186 | 506,525 | 624,481 | 924,023 | - | 2,528,186 |
| Disbursements | | | Projected | | | |
| General Disbursements | 45,000 | 55,000 | 35,000 | 60,000 | - | 195,000 |
| Pharmacy | - | - | - | - | - | - |
| Net Payroll | 315,000 | 315,000 | 315,000 | 315,000 | - | 1,260,000 |
| Payroll Taxes | 142,000 | 142,000 | 142,000 | 142,000 | - | 568,000 |
| 401(k) Funding | 4,661 | 4,544 | 4,359 | 4,500 | - | 18,063 |
| Other Employee Benefits | - | - | - | 150,000 | - | 150,000 |
| Worker's Compensation Premiums | - | - | - | 46,000 | - | 46,000 |
| Insurance Premiums | - | - | - | 65,000 | - | 65,000 |
| UST Fee | - | - | - | 5,000 | - | 5,000 |
| Receiver Fee | - | - | - | 10,000 | - | 10,000 |
| Bank Line Interest/Bank Fees | - | - | 4,100 | - | - | 4,100 |
| Utilities | - | 25,000 | - | 50,000 | - | 75,000 |
| Physicians | - | 40,000 | - | 40,000 | - | 80,000 |
| Loan/Lease | - | 15,500 | - | - | - | 15,500 |
| Real Estate Taxes | - | - | - | - | - | - |
| Professional/Receiver | - | - | - | - | - | - |
| Professional/Trustee | - | - | - | 15,000 | - | 15,000 |
| Professional/Committee | - | - | - | 15,000 | - | 15,000 |
| Prior Professional | - | - | - | - | - | - |
| Cash receipts assessment | - | - | - | 20,000 | - | 20,000 |
| Total Disbursements | 506,661 | 597,044 | 500,459 | 937,500 | - | 2,541,663 |
| Ending Cash Balance | (223,475) | (90,519) | 124,023 | (13,477) | - | (13,477) |

| Highgate LTC Management LLC Projected Cash Flows | Projected Balance 01/02/09 | Projected Balance 01/09/09 | Projected Balance 01/16/09 | Projected Balance 01/23/09 | Projected Balance 01/30/09 | January Totals |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------|
| w/e Friday | | | | | | |
| Beginning Cash Book Balance | (250,843) | (417,624) | (293,874) | (134,060) | (187,527) | (250,843) |
| Collections | | | | | | |
| General Deposits | 75,000 | 250,000 | 225,000 | 160,000 | 160,000 | 870,000 |
| Medicaid Deposits | 271,833 | 477,129 | 471,877 | 435,033 | 259,778 | 1,915,649 |
| Medicare Deposits | 35,000 | 30,000 | 35,000 | 210,000 | 45,000 | 355,000 |
| Total Collections | 381,833 | 757,129 | 731,877 | 805,033 | 464,778 | 3,140,649 |
| Cash Available for Disbursements | 130,989 | 339,505 | 438,002 | 670,973 | 277,251 | 2,889,806 |
| Disbursements | | | Projected | | | |
| General Disbursements | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 150,000 |
| Pharmacy | 19,000 | - | - | - | - | 19,000 |
| Net Payroll | 337,795 | 346,716 | 309,793 | 322,000 | 322,000 | 1,638,305 |
| Payroll Taxes | 157,157 | 164,054 | 146,530 | 136,000 | 136,000 | 739,742 |
| 401(k) Funding | 4,661 | 4,544 | 4,359 | 4,500 | 4,500 | 22,563 |
| Other Employee Benefits | - | - | - | 150,000 | - | 150,000 |
| Worker's Compensation Premiums | - | - | - | 46,000 | - | 46,000 |
| Insurance Premiums | - | 7,565 | - | 65,000 | - | 72,565 |
| UST Fee | - | - | - | 5,000 | - | 5,000 |
| Receiver Fee | - | - | - | 10,000 | - | 10,000 |
| Bank Line Interest/Bank Fees | - | - | 4,100 | - | - | 4,100 |
| Utilities | - | 25,000 | - | 50,000 | - | 75,000 |
| Physicians | - | 40,000 | - | 40,000 | - | 80,000 |
| Loan/Lease | - | 15,500 | - | - | - | 15,500 |
| Real Estate Taxes | - | - | - | - | - | - |
| Professional/Receiver | - | - | - | - | - | - |
| Professional/Trustee | - | - | - | - | 15,000 | 15,000 |
| Professional/Committee | - | - | - | - | 15,000 | 15,000 |
| Prior Professional | - | - | - | - | - | - |
| Cash receipts assessment | - | - | 77,280 | - | - | 77,280 |
| Total Disbursements | 548,613 | 633,379 | 572,062 | 858,500 | 522,500 | 3,135,055 |
| Ending Cash Balance | (417,624) | (293,874) | (134,060) | (187,527) | (245,249) | (245,249) |

| Highgate LTC Management LLC Projected Cash Flows | Projected Balance 12/05/08 | Projected Balance 12/12/08 | Projected Balance 12/19/08 | Projected Balance 12/26/08 | Projected Balance | December Totals |
|---|---|---|---|---|------------------------------|----------------------------|
| w/e Friday | | | | | | |
| Beginning Cash Book Balance | (133,620) | (308,405) | (283,885) | (159,757) | (210,843) | (133,620) |
| Collections | | | | | | |
| General Deposits | 75,000 | 250,000 | 225,000 | 160,000 | | 710,000 |
| Medicaid Deposits | 329,046 | 403,997 | 445,101 | 413,130 | | 1,591,273 |
| Medicare Deposits | 25,000 | 25,000 | 25,000 | 299,783 | | 374,783 |
| Total Collections | 429,046 | 678,997 | 695,101 | 872,913 | - | 2,676,056 |
| Cash Available for Disbursements | 295,426 | 370,592 | 411,216 | 713,157 | (210,843) | 2,542,437 |
| Disbursements | | | Projected | | | |
| General Disbursements | 50,000 | 50,000 | 50,000 | 50,000 | | 200,000 |
| Pharmacy | 55,000 | 55,000 | 55,000 | 55,000 | | 220,000 |
| Net Payroll | 344,445 | 321,789 | 321,575 | 322,000 | | 1,309,809 |
| Payroll Taxes | 149,864 | 135,538 | 135,914 | 136,000 | | 557,316 |
| 401(k) Funding | 4,521 | 4,085 | 4,084 | 5,000 | | 17,690 |
| Other Employee Benefits | - | - | - | 150,000 | | 150,000 |
| Worker's Compensation Premiums | - | - | - | 46,000 | | 46,000 |
| Insurance Premiums | - | 7,565 | - | 65,000 | | 72,565 |
| UST Fee | - | - | - | 5,000 | | 5,000 |
| Receiver Fee | - | - | - | - | 10,000 | 10,000 |
| Bank Line Interest/Bank Fees | - | - | 4,400 | - | | 4,400 |
| Utilities | - | 25,000 | - | 50,000 | | 75,000 |
| Physicians | - | 40,000 | - | 40,000 | | 80,000 |
| Loan/Lease | - | 15,500 | - | - | | 15,500 |
| Real Estate Taxes | - | - | - | - | | - |
| Professional/Receiver | - | - | - | - | | - |
| Professional/Trustee | - | - | - | - | 15,000 | 15,000 |
| Professional/Committee | - | - | - | - | 15,000 | 15,000 |
| Prior Professional | - | - | - | - | | - |
| Cash receipts assessment | - | - | - | - | - | - |
| Total Disbursements | 603,831 | 654,477 | 570,973 | 924,000 | 40,000 | 2,793,280 |
| Ending Cash Balance | (308,405) | (283,885) | (159,757) | (210,843) | (250,843) | (250,843) |



**Moritt Hock
Hamroff & Horowitz LLP**
ATTORNEYS AT LAW

RUSH

RECEIVED

JAN 21 2009

**OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY**

Leslie A. Berkoff, Esq.
Partner
Email: lberkoff@morithock.com

January 20, 2009

VIA FEDERAL EXPRESS

Susan Skinner
U.S. Bankruptcy Court
Northern District of New York
James T. Foley U.S. Courthouse
445 Broadway, Suite 315
Albany, NY 12207

**Re: Highgate LTC Management, LLC (collectively the "Debtors")
Case No. 07-11068**

Dear Ms. Skinner:

Enclosed herewith please find an executed Stipulation and Order Modifying And Extending The Terms of the Final Order Authorizing the Debtors To: (A) Borrow Money and (B) Use Cash Collateral On A Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that His Honor So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

RECEIVED & FILED

JAN 22 2009

**OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY
LAB:gm
Encl.**

Very truly yours,

LESLIE BERKOFF

\\FAGECC\Highgate\Bankruptcy\Corres\Court Transition CC Stip 3.Doc

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FEB 27 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

So ordered this ~~27~~ day of February 2009

MAR - 2 2009


Hon. Robert E. Littlefield, Jr.
Chief, U.S.B.J.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK**

In re:

HIGHGATE LTC MANAGEMENT LLC,

Debtor.

Chapter 11

Case No. 07-11068-REL

RECEIVED & FILED

MAR 2 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

**STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to three prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008 and January 22, 2009, the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read April 29, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for ~~April~~ ^{April 29} 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: February __, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

By: _____

Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By: _____

Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
Phone: (203) 821-2000

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By: _____

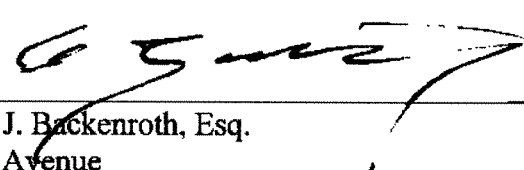
Ted A. Berkowitz, Esq.
1320 Reckson Plaza
Uniondale, New York 11556-1320
Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By: _____


Abraham J. Backenroth, Esq.
489 Fifth Avenue
New York, New York 10017
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | Projected | March Totals |
|---|---------|-----------|-----------|-----------|------------------|-----------|--------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Balance | |
| w/e Friday | | 03/06/08 | 03/13/08 | 03/20/08 | 03/27/08 | | |
| Beginning Cash Book Balance | | 43,500 | 849 | (92,747) | (216,423) | | 43,500 |
| Collections | | | | | | | |
| General Deposits | 232,033 | 260,339 | 188,000 | 192,000 | | | 872,372 |
| Medicaid Deposits | 280,852 | 385,312 | 435,000 | 421,000 | | | 1,522,164 |
| Medicare Deposits | - | - | - | 410,000 | | | 410,000 |
| Total Collections | 512,885 | 645,651 | 623,000 | 1,023,000 | | | 2,804,536 |
| Cash Available for Disbursements | | 556,385 | 646,500 | 530,253 | 806,577 | | 2,848,036 |
| Disbursements | | | | | Projected | | |
| General Disbursements | 75,000 | 121,000 | 75,000 | 50,000 | | | 321,000 |
| Pharmacy | - | - | 126,381 | - | | | 126,381 |
| Net Payroll | 309,396 | 309,396 | 309,396 | 309,396 | | | 1,237,584 |
| Payroll Taxes | 141,558 | 141,558 | 141,558 | 141,558 | | | 566,232 |
| 401(k) Funding | 4,582 | 4,293 | 4,339 | 4,355 | | | 17,569 |
| Other Employee Benefits | - | - | - | 148,000 | | | 148,000 |
| Worker's Compensation Premiums | - | - | - | 63,495 | | | 63,495 |
| Insurance Premiums | - | - | 35,260 | - | | | 35,260 |
| UST Fee | - | - | - | 10,400 | | | 10,400 |
| Receiver Fee | - | - | - | - | | | - |
| Bank Line Interest/Bank Fees | - | - | - | - | | | - |
| Utilities | 25,000 | - | 49,850 | - | | | 74,850 |
| Physicians | - | 25,000 | - | 50,000 | | | 75,000 |
| Loan/Lease | - | - | 4,893 | - | | | 4,893 |
| Real Estate Taxes | - | - | - | - | | | - |
| Professional/Receiver | - | - | - | - | | | - |
| Professional/Trustee | - | - | - | 15,000 | | | 15,000 |
| Professional/Committee | - | - | - | 15,000 | | | 15,000 |
| Prior Professional | - | - | - | - | | | - |
| Cash receipts assessment | - | 138,000 | - | - | | | 138,000 |
| Total Disbursements | 555,536 | 739,247 | 746,676 | 807,205 | | | 2,848,664 |
| Ending Cash Balance | | 849 | (92,747) | (216,423) | (628) | | (628) |
| Monthly Net Cash | | (42,651) | (93,596) | (123,676) | 215,795 | | (44,128) |

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | Projected | April Totals |
|---|--|-----------|-----------|-----------|------------------|-----------|--------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Balance | |
| w/e Friday | | 04/03/08 | 04/10/08 | 04/17/08 | 04/24/08 | | |
| Beginning Cash Book Balance | | (24,128) | (35,164) | (118,411) | (239,237) | | (24,128) |
| Collections | | | | | | | |
| General Deposits | | 252,000 | 273,000 | 188,000 | 192,000 | | 905,000 |
| Medicaid Deposits | | 293,000 | 391,000 | 438,000 | 425,000 | | 1,547,000 |
| Medicare Deposits | | - | - | - | 390,000 | | 390,000 |
| Total Collections | | 545,000 | 664,000 | 626,000 | 1,007,000 | | 2,842,000 |
| Cash Available for Disbursements | | 520,872 | 628,836 | 507,589 | 767,763 | | 2,817,872 |
| Disbursements | | | | | Projected | | |
| General Disbursements | | 75,500 | 126,000 | 78,000 | 55,000 | | 334,500 |
| Pharmacy | | - | - | 131,381 | - | | 131,381 |
| Net Payroll | | 309,396 | 309,396 | 309,396 | 309,396 | | 1,237,584 |
| Payroll Taxes | | 141,558 | 141,558 | 141,558 | 141,558 | | 566,232 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | | 17,569 |
| Other Employee Benefits | | - | - | - | 148,000 | | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | | 35,260 |
| UST Fee | | - | - | - | 10,400 | | 10,400 |
| Receiver Fee | | - | - | - | - | | - |
| Bank Line Interest/Bank Fees | | - | - | - | - | | - |
| Utilities | | 25,000 | - | 42,000 | - | | 67,000 |
| Physicians | | - | 25,000 | - | 50,000 | | 75,000 |
| Loan/Lease | | - | - | 4,893 | - | | 4,893 |
| Real Estate Taxes | | - | - | - | - | | - |
| Professional/Receiver | | - | - | - | - | | - |
| Professional/Trustee | | - | - | - | 15,000 | | 15,000 |
| Professional/Committee | | - | - | - | 15,000 | | 15,000 |
| Prior Professional | | - | - | - | - | | - |
| Cash receipts assessment | | - | 141,000 | - | - | | 141,000 |
| Total Disbursements | | 556,036 | 747,247 | 746,826 | 812,205 | | 2,862,314 |
| Ending Cash Balance | | (35,164) | (118,411) | (239,237) | (44,442) | | (44,442) |
| Monthly Net Cash | | (11,036) | (83,247) | (120,826) | 194,795 | | (20,314) |



**Moritt Hock
Hamroff & Horowitz LLP**
ATTORNEYS AT LAW

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FEB 27 2009

**OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY**

Leslie A. Berkoff, Esq.

Partner

Admitted in NY & CT

Email: lberkoff@morithock.com

RUSH

February 26, 2009

VIA OVERNIGHT MAIL

Susan Skinner

U.S. Bankruptcy Court

Northern District of New York

James T. Foley U.S. Courthouse

445 Broadway, Suite 315

Albany, NY 12207

**Re: Highgate LTC Management, LLC
Case No. 07-11068**

RECEIVED & FILED

MAR 2 2009

Dear Ms. Skinner:

Enclosed herewith please find an original executed Stipulation and Order **OFFICE OF THE BANKRUPTCY CLERK**
Modifying and Extending the Terms of the Final Order Authorizing the Estate to: (A) Borrow
Money and (B) Use Cash Collateral on a Consensual Basis in connection with the above-
referenced matter.

We would ask that you present the Stipulation to His Honor so that he may So Order the
Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you
for your courtesies in this matter.

Very truly yours,

LESLIE ANN BERKOFF

LAB:dm
Encl.

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APR 29 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK**

-----X

In re:

HIGHGATE LTC MANAGEMENT LLC,

Debtor.

-----X

So ordered this 29th day of April, 2009



Hon. Robert E. Littlefield, Jr.
Chief, U.S.B.J.

Chapter 11

Case No. 07-11068-REL

**STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Kings County,

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APR 29 2009

OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to four prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009 and March 2, 2009, the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read July 1, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for July 1, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: April 24, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

By: _____

Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By: _____

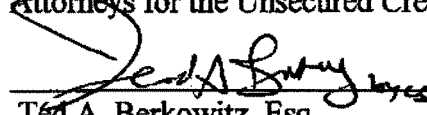
Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
Phone: (203) 821-2000

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By:



Ted A. Berkowitz, Esq.

1320 Reckson Plaza

Uniondale, New York 11556-1320

Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By:



Abraham J. Backenroth, Esq.

489 Fifth Avenue

New York, New York 10017

Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By:

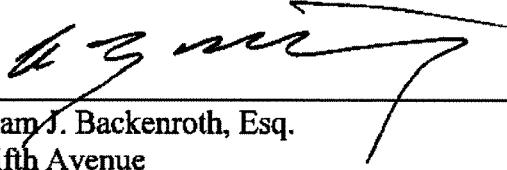
Ted A. Berkowitz, Esq.
1320 Reckson Plaza
Uniondale, New York 11556-1320
Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By:



Abraham J. Backenroth, Esq.
489 Fifth Avenue
New York, New York 10017
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | Projected | Projected | May Totals |
|---|--|-----------|-----------|-----------|------------------|-----------|-----------|------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Balance | Balance | |
| w/e Friday | | 05/01/09 | 05/08/09 | 05/15/09 | 05/22/09 | 05/29/09 | | |
| Beginning Cash Book Balance | | (314) | 138,705 | 20,912 | (221,418) | (36,769) | (314) | |
| Collections | | | | | | | | |
| General Deposits | | 280,000 | 258,000 | 190,000 | 182,000 | 138,000 | 1,048,000 | |
| Medicaid Deposits | | 445,601 | 391,000 | 438,000 | 425,000 | 458,000 | 2,157,601 | |
| Medicare Deposits | | - | - | - | 410,000 | - | 410,000 | |
| Total Collections | | 725,601 | 649,000 | 628,000 | 1,017,000 | 596,000 | 3,615,601 | |
| Cash Available for Disbursements | | 725,287 | 787,705 | 648,912 | 795,582 | 559,231 | 3,516,717 | |
| Disbursements | | | | | Projected | | | |
| General Disbursements | | 100,500 | 161,000 | 113,000 | 90,000 | 92,000 | 556,500 | |
| Pharmacy | | - | - | 192,944 | - | - | 192,944 | |
| Net Payroll | | 325,000 | 325,000 | 325,000 | 325,000 | 325,000 | 1,625,000 | |
| Payroll Taxes | | 131,500 | 131,500 | 131,500 | 131,500 | 131,500 | 657,500 | |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | 4,400 | 21,969 | |
| Other Employee Benefits | | - | - | - | 148,000 | - | 148,000 | |
| Worker's Compensation Premiums | | - | - | - | 63,495 | - | 63,495 | |
| Insurance Premiums | | - | - | 35,260 | - | - | 35,260 | |
| UST Fee | | - | - | - | 5,000 | - | 5,000 | |
| Receiver Fee | | - | - | - | - | - | - | |
| Bank Line Interest/Bank Fees | | - | - | - | - | - | - | |
| Utilities | | 25,000 | - | 63,396 | - | - | 88,396 | |
| Physicians | | - | 25,000 | - | 35,000 | - | 60,000 | |
| Loan/Lease | | - | - | 4,893 | - | - | 4,893 | |
| Real Estate Taxes | | - | - | - | - | - | - | |
| Professional/Receiver | | - | - | - | - | - | - | |
| Professional/Trustee | | - | - | - | 15,000 | - | 15,000 | |
| Professional/Committee | | - | - | - | 15,000 | - | 15,000 | |
| Prior Professional | | - | - | - | - | - | - | |
| Cash receipts assessment | | - | 120,000 | - | - | - | 120,000 | |
| Total Disbursements | | 586,582 | 766,793 | 870,331 | 832,351 | 552,900 | 3,608,957 | |
| Ending Cash Balance | | 138,705 | 20,912 | (221,418) | (36,769) | 6,331 | (92,239) | |
| Monthly Net Cash | | 139,019 | (117,793) | (242,331) | 184,649 | 43,100 | 6,645 | |

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | June Totals |
|---|------------|------------------|------------------|------------------|------------------|-------------|
| Projected Cash Flows | w/e Friday | Balance 06/05/09 | Balance 06/12/09 | Balance 06/19/09 | Balance 06/26/09 | |
| Beginning Cash Book Balance | | 16,245 | 99,764 | (11,029) | (201,043) | 16,245 |
| Collections | | | | | | |
| General Deposits | | 282,000 | 267,000 | 192,000 | 198,000 | 939,000 |
| Medicaid Deposits | | 445,601 | 391,000 | 438,000 | 425,000 | 1,699,601 |
| Medicare Deposits | | - | - | - | 412,000 | 412,000 |
| Total Collections | | 727,601 | 658,000 | 630,000 | 1,035,000 | 3,050,601 |
| Cash Available for Disbursements | | 743,846 | 757,764 | 618,971 | 833,957 | 2,954,540 |
| Disbursements | | | | | Projected | |
| General Disbursements | | 102,500 | 153,000 | 101,000 | 82,000 | 438,500 |
| Pharmacy | | - | - | 150,627 | - | 150,627 |
| Net Payroll | | 348,000 | 325,000 | 325,000 | 325,000 | 1,323,000 |
| Payroll Taxes | | 164,000 | 131,500 | 131,500 | 131,500 | 558,500 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | 17,569 |
| Other Employee Benefits | | - | - | - | 148,000 | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | 35,260 |
| UST Fee | | - | - | - | 5,000 | 5,000 |
| Receiver Fee | | - | - | - | - | - |
| Bank Line Interest/Bank Fees | | - | - | - | - | - |
| Utilities | | 25,000 | - | 67,396 | - | 92,396 |
| Physicians | | - | 25,000 | - | 35,000 | 60,000 |
| Loan/Lease | | - | - | 4,893 | - | 4,893 |
| Real Estate Taxes | | - | - | - | - | - |
| Professional/Receiver | | - | - | - | - | - |
| Professional/Trustee | | - | - | - | 15,000 | 15,000 |
| Professional/Committee | | - | - | - | 15,000 | 15,000 |
| Prior Professional | | - | - | - | - | - |
| Cash receipts assessment | | - | 130,000 | - | - | 130,000 |
| Total Disbursements | | 644,082 | 768,793 | 820,014 | 824,351 | 3,057,240 |
| Ending Cash Balance | | 99,764 | (11,029) | (201,043) | 9,607 | (102,700) |
| Monthly Net Cash | | 83,519 | (110,793) | (190,014) | 210,649 | (6,638) |



**Moritt Hock
Hamroff & Horowitz LLP**
ATTORNEYS AT LAW

RECEIVED

APR 29 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

Leslie A. Berkoff, Esq.
Partner
Admitted in NY & CT
Email: lberkoff@morithock.com

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APR 28 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY
April 28, 2009

HUSH

VIA OVERNIGHT MAIL

Susan Skinner
U.S. Bankruptcy Court
Northern District of New York
James T. Foley U.S. Courthouse
445 Broadway, Suite 315
Albany, NY 12207

Re: Highgate LTC Management, LLC
Case No. 07-11068

Dear Ms. Skinner:

Enclosed herewith please find an original executed Stipulation and Order Further Modifying and Extending the Terms of the Final Order Authorizing the Estate to: (A) Borrow Money and (B) Use Cash Collateral on a Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that you present the Stipulation to His Honor so that he may So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

RECEIVED & FILED

APR 29 2009

OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

Very truly yours,

LESLIE ANN BERKOFF

LAB:cn
Encl.

RECEIVED & FILED

JUN 24 2009

OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

So ordered this 24 day of June 2009

20
Hon. Robert E. Littlefield, Jr.
Chief, U.S.B.J.

RECEIVED

JUN 24 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK**

-----X

Chapter 11

In re:

HIGHGATE LTC MANAGEMENT LLC,

Case No. 07-11068-REL

Debtor.

-----X

**STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to four prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009, March 2, 2009, and April 29, 2009 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read September 9, 2009.

2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for September 9, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: June 23, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

By: _____

Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By: _____

Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
Phone: (203) 821-2000

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for September 9, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: June 17, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital
Corporation

By: _____

Leslie A. Berkoff, Esq.
400 Garden City Plaza
Garden City, NY 11530
516-873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By: _____

Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
Phone: (203) 821-2000

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By:  _____

Ted A. Berkowitz, Esq.

1320 Reckson Plaza

Uniondale, New York 11556-1320

Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By: _____

Abraham J. Backenroth, Esq.

489 Fifth Avenue

New York, New York 10017

Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

-and-

FARRELL FRITZ, P.C.

Attorneys for the Unsecured Creditors' Committee

By:

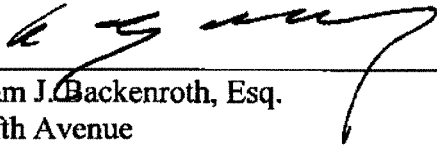
Ted A. Berkowitz, Esq.
1320 Reckson Plaza
Uniondale, New York 11556-1320
Tel: 516-227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP

Attorneys for the Substitute Receiver

By:



Abraham J. Backenroth, Esq.
489 Fifth Avenue
New York, New York 10017
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | Projected | Projected | July Totals |
|---|--|-----------|-----------|-----------|------------------|-----------|-----------|-------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Balance | Balance | |
| w/e Friday | | 07/03/09 | 07/10/09 | 07/17/09 | 07/24/09 | 07/31/09 | | |
| Beginning Cash Book Balance | | 16,245 | (33,868) | (170,410) | (202,002) | (35,752) | | 16,245 |
| Collections | | | | | | | | |
| General Deposits | | 301,000 | 284,000 | 272,000 | 223,000 | 215,000 | | 1,295,000 |
| Medicaid Deposits | | 229,969 | 412,751 | 500,000 | 400,000 | 400,000 | | 1,942,720 |
| Medicare Deposits | | - | - | - | 385,000 | - | | 385,000 |
| Total Collections | | 530,969 | 696,751 | 772,000 | 1,008,000 | 615,000 | | 3,622,720 |
| Cash Available for Disbursements | | 547,214 | 662,883 | 601,590 | 805,999 | 579,248 | | 3,638,965 |
| Disbursements | | | | | Projected | | | |
| General Disbursements | | 105,000 | 163,000 | 111,100 | 100,000 | 106,000 | | 585,100 |
| Pharmacy | | - | - | 145,000 | - | - | | 145,000 |
| Net Payroll | | 320,000 | 361,000 | 319,000 | 320,000 | 320,000 | | 1,640,000 |
| Payroll Taxes | | 126,500 | 150,000 | 126,000 | 126,500 | 126,500 | | 655,500 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | - | | 17,569 |
| Other Employee Benefits | | - | - | - | 148,000 | - | | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | - | | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | - | | 35,260 |
| UST Fee | | - | - | - | 10,400 | - | | 10,400 |
| Receiver Fee | | - | - | - | - | - | | - |
| Bank Line Interest/Bank Fees | | - | - | - | 4,000 | - | | 4,000 |
| Utilities | | 25,000 | - | 58,000 | - | - | | 83,000 |
| Physicians | | - | 25,000 | - | 35,000 | - | | 60,000 |
| Loan/Lease | | - | - | 4,893 | - | - | | 4,893 |
| NY Sales Taxes | | - | - | - | - | - | | - |
| Real Estate Taxes | | - | - | - | - | - | | - |
| Professional/Receiver | | - | - | - | - | - | | - |
| Professional/Trustee | | - | - | - | 15,000 | - | | 15,000 |
| Professional/Committee | | - | - | - | 15,000 | - | | 15,000 |
| Prior Professional | | - | - | - | - | - | | - |
| Cash receipts assessment | | - | 130,000 | - | - | - | | 130,000 |
| Total Disbursements | | 581,082 | 833,293 | 803,591 | 841,751 | 552,500 | | 3,612,217 |
| Ending Cash Balance | | (33,868) | (170,410) | (202,002) | (35,752) | 26,748 | | 26,748 |
| Monthly Net Cash | | (50,113) | (136,542) | (31,591) | 166,249 | 62,500 | | 10,503 |

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | Projected | Projected | Aug Totals |
|---|--|-----------|-----------|-----------|------------------|-----------|-----------|------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Balance | Balance | |
| w/e Friday | | 08/07/09 | 08/14/09 | 08/21/09 | 08/28/09 | 9/4/2009 | | |
| Beginning Cash Book Balance | | 26,748 | (28,365) | (166,907) | (207,399) | (36,149) | | 26,748 |
| Collections | | | | | | | | |
| General Deposits | | 301,000 | 284,000 | 272,000 | 223,000 | 300,000 | | 1,380,000 |
| Medicaid Deposits | | 229,969 | 412,751 | 500,000 | 400,000 | 235,000 | | 1,777,720 |
| Medicare Deposits | | - | - | - | 390,000 | | | 390,000 |
| Total Collections | | 530,969 | 696,751 | 772,000 | 1,013,000 | 535,000 | | 3,547,720 |
| Cash Available for Disbursements | | 557,717 | 668,386 | 605,093 | 805,602 | 498,851 | | 3,574,468 |
| Disbursements | | | | | Projected | | | |
| General Disbursements | | 110,000 | 163,000 | 130,000 | 100,000 | 105,000 | | 608,000 |
| Pharmacy | | - | - | 135,000 | - | | | 135,000 |
| Net Payroll | | 320,000 | 361,000 | 319,000 | 320,000 | 320,000 | | 1,640,000 |
| Payroll Taxes | | 126,500 | 150,000 | 126,000 | 126,500 | 126,500 | | 655,500 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | 4,355 | | 21,924 |
| Other Employee Benefits | | - | - | - | 148,000 | | | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | | | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | | | 35,260 |
| UST Fee | | - | - | - | 10,400 | | | 10,400 |
| Receiver Fee | | - | - | - | - | | | - |
| Bank Line Interest/Bank Fees | | - | - | - | 4,000 | | | 4,000 |
| Utilities | | 25,000 | - | 58,000 | - | | | 83,000 |
| Physicians | | - | 25,000 | - | 35,000 | | | 60,000 |
| Loan/Lease | | - | - | 4,893 | - | | | 4,893 |
| NY Sales Taxes | | - | - | - | - | | | - |
| Real Estate Taxes | | - | - | - | - | | | - |
| Professional/Receiver | | - | - | - | - | | | - |

| | | | | | |
|----------------------------|-----------------|------------------|------------------|-----------------|------------------|
| Professional/Trustee | - | - | - | 15,000 | 15,000 |
| Professional/Committee | - | - | - | 15,000 | 15,000 |
| Prior Professional | - | - | - | - | - |
| Cash receipts assessment | - | 132,000 | - | - | 132,000 |
| Total Disbursements | 586,082 | 835,293 | 812,491 | 841,751 | 3,631,472 |
| Ending Cash Balance | (28,365) | (166,907) | (207,399) | (36,149) | (57,004) |
| Monthly Net Cash | (55,113) | (138,542) | (40,491) | 171,249 | (83,752) |



**Moritt Hock
Hamroff & Horowitz** LLP
ATTORNEYS AT LAW

RECEIVED

JUN 24 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY

Leslie A. Berkoff, Esq.
Partner
Admitted in NY & CT
Email: lberkoff@morithock.com

June 23, 2009

VIA FEDERAL EXPRESS

Susan Skinner
U.S. Bankruptcy Court
Northern District of New York
James T. Foley U.S. Courthouse
445 Broadway, Suite 315
Albany, NY 12207

Re: Highgate LTC Management, LLC
Case No. 07-11068
Hearing Date: July 1, 2009


Dear Ms. Skinner:

Enclosed herewith please find an original executed Stipulation and Order Further Modifying and Extending the Terms of the Final Order Authorizing the Estate to: (A) Borrow Money and (B) Use Cash Collateral on a Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that you present the Stipulation to His Honor so that he may So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

Very truly yours,



LESLIE ANN BERKOFF

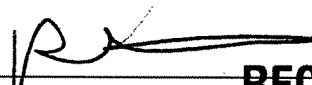
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Encl.

So ordered this 8th day of September 2009

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SEP 4 - 2009

OFFICE OF THE BANKRUPTCY JUDGE
ALBANY, NY


Hon. Robert E. Littlefield, Jr.
Chief, U.S.B.J.

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SEP 8 2009

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

OFFICE OF THE BANKRUPTCY CLERK
ALBANY, NY

-----X
In re:

Chapter 11

HIGHGATE LTC MANAGEMENT, LLC *et al.*

Case No. 07-11068-REJ

Debtors.
-----X

CLERK OF THE
BANKRUPTCY COURT
NORTHERN DISTRICT OF
NEW YORK
ALBANY
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**STIPULATION AND ORDER MODIFYING AND EXTENDING
THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS
TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; (B) Use Cash Collateral on a Consensual Basis; and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County, dated

November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to six prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009, March 2, 2009, April 29, 2009 and June 24, 2009 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read November 30, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for November 18, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: Garden City, New York
September 1, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital Corporation

By: /s/ Leslie A. Berkoff

Leslie A. Berkoff, Esq.

400 Garden City Plaza
Garden City, NY 11530
(516) 873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

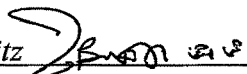
By: /s/ Mark I Fishman

Mark I. Fishman, Esq.

195 Church Street
New Haven, CT 06510
(203) 821-2000

-and-

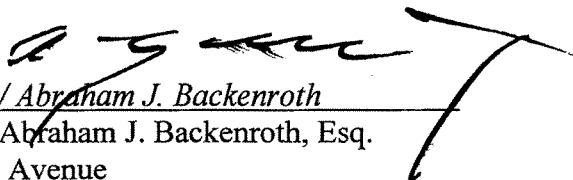
FARRELL FRITZ, P.C.
Attorneys for the Unsecured Creditors' Committee

By: /s/ Ted A. Berkowitz 
Ted A. Berkowitz, Esq.

1320 Reckson Plaza
Uniondale, NY 11556-1320
(516) 227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP
Attorneys for the Substitute Receiver

By: /s/ Abraham J. Backenroth 
Abraham J. Backenroth, Esq.
489 Fifth Avenue
New York, NY 10017
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND EXTENDING THE TERMS OF THE FINAL ORDER
AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL
ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

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ALBANY, NY

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EXHIBIT A

| Highgate LLC Management LLC | | Projected | Projected | Projected | Projected | August Totals |
|----------------------------------|--|-----------|-----------|-----------|-----------|---------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | |
| w/e Friday | | 09/04/09 | 09/11/09 | 09/18/09 | 09/25/09 | |
| Beginning Cash Book Balance | | 10,205 | 411,494 | 260,469 | 32,452 | 10,205 |
| Collections | | | | | | |
| General Deposits | | 195,000 | 178,000 | 152,000 | 126,000 | 651,000 |
| Medicaid Deposits | | 785,871 | 405,268 | 501,496 | 365,029 | 2,057,664 |
| Medicare Deposits | | - | - | - | 310,000 | 310,000 |
| Total Collections | | 980,871 | 583,268 | 653,496 | 801,029 | 3,018,664 |
| Cash Available for Disbursements | | 991,076 | 994,762 | 913,966 | 833,480 | 3,733,284 |
| Disbursements | | | | | Projected | |
| General Disbursements | | 110,000 | 160,000 | 110,000 | 100,000 | 480,000 |
| Pharmacy | | - | - | 150,627 | - | 150,627 |
| Net Payroll | | 318,000 | 318,000 | 360,000 | 318,000 | 1,314,000 |
| Payroll Taxes | | 122,000 | 122,000 | 149,000 | 122,000 | 515,000 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | 17,569 |
| Other Employee Benefits | | - | - | - | 148,000 | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | 35,260 |
| UST Fee | | - | - | - | 10,400 | 10,400 |
| Receiver Fee | | - | - | - | - | - |
| Bank Line Interest/Bank Fees | | - | - | - | - | - |
| Utilities | | 25,000 | - | 67,396 | - | 92,396 |
| Physicians | | - | 25,000 | - | 35,000 | 60,000 |
| Loan/Lease | | - | - | 4,893 | - | 4,893 |
| NY Sales Taxes | | - | - | - | - | - |
| Real Estate Taxes | | - | - | - | - | - |
| Professional/Receiver | | - | - | - | - | - |
| Professional/Trustee | | - | - | - | 15,000 | 15,000 |
| Professional/Committee | | - | - | - | 15,000 | 15,000 |
| Ombudsman | | - | - | - | - | 105,000 |
| Cash receipts assessment | | - | 105,000 | - | - | 105,000 |
| Total Disbursements | | 579,582 | 734,293 | 881,514 | 846,251 | 3,041,640 |
| Ending Cash Balance | | 411,494 | 260,469 | 32,452 | (12,770) | 691,644 |
| Monthly Net Cash | | 401.289 | (151.025) | (228.018) | (45.222) | (22.975) |

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | Projected | Projected | October Totals |
|---|--|-----------|-----------|-----------|------------------|-----------|-----------|----------------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Balance | Balance | |
| w/e Friday | | 10/02/09 | 10/09/09 | 10/16/09 | 10/23/09 | 10/30/09 | | |
| Beginning Cash Book Balance | | 1,425 | (98,157) | (56,450) | (134,941) | 78,808 | | 1,425 |
| Collections | | | | | | | | |
| General Deposits | | 215,000 | 281,000 | 246,000 | 238,000 | 147,000 | | 1,127,000 |
| Medicaid Deposits | | 265,000 | 505,000 | 485,000 | 481,000 | 262,000 | | 1,998,000 |
| Medicare Deposits | | - | - | - | 311,000 | - | | 311,000 |
| Total Collections | | 480,000 | 786,000 | 731,000 | 1,030,000 | 409,000 | | 3,436,000 |
| Cash Available for Disbursements | | 481,425 | 687,843 | 674,550 | 895,059 | 487,808 | | 3,226,685 |
| Disbursements | | | | | Projected | | | |
| General Disbursements | | 110,000 | 150,000 | 105,000 | 85,000 | 80,000 | | 530,000 |
| Pharmacy | | - | - | 145,000 | - | - | | 145,000 |
| Net Payroll | | 318,000 | 318,000 | 318,000 | 318,000 | 318,000 | | 1,590,000 |
| Payroll Taxes | | 122,000 | 122,000 | 122,000 | 122,000 | 122,000 | | 610,000 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | - | | 17,569 |
| Other Employee Benefits | | - | - | - | 148,000 | 148,000 | | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | 63,495 | | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | 35,260 | | 35,260 |
| UST Fee | | - | - | - | 10,400 | 10,400 | | 10,400 |
| Receiver Fee | | - | - | - | - | - | | - |
| Bank Line Interest/Bank Fees | | - | - | - | - | - | | - |
| Utilities | | 25,000 | - | 75,000 | - | - | | 100,000 |
| Physicians | | - | 25,000 | - | 35,000 | - | | 60,000 |
| Loan/Lease | | - | - | 4,893 | - | - | | 4,893 |
| NY Sales Taxes | | - | - | - | - | - | | - |
| Real Estate Taxes | | - | - | - | - | - | | - |
| Professional/Receiver | | - | - | - | - | - | | - |

| | | | | | |
|----------------------------|-----------------|-----------------|------------------|------------------|------------------|
| Professional/Trustee | - | - | - | 15,000 | 15,000 |
| Professional/Committee | - | - | - | 15,000 | 15,000 |
| Prior Professional | - | - | - | - | - |
| Cash receipts assessment | - | 125,000 | - | - | 125,000 |
| Total Disbursements | 579,582 | 744,293 | 809,491 | 520,000 | 3,469,617 |
| Ending Cash Balance | (98,157) | (56,450) | (134,941) | (32,192) | (242,932) |
| Monthly Net Cash | (99,582) | 41,707 | (78,491) | (111,000) | (33,617) |

| Highgate LTC Management LLC | | Projected | Projected | Projected | Projected | November |
|---|------------|-----------|-----------|-----------|------------------|-----------|
| Projected Cash Flows | | Balance | Balance | Balance | Balance | Totals |
| | w/e Friday | 11/06/09 | 11/13/09 | 11/20/09 | 11/27/09 | |
| Beginning Cash Book Balance | | 3,360 | 47,778 | 1,485 | (151,006) | 3,360 |
| Collections | | | | | | |
| General Deposits | | 219,000 | 198,000 | 164,000 | 156,000 | 737,000 |
| Medicaid Deposits | | 410,000 | 500,000 | 485,000 | 475,000 | 1,870,000 |
| Medicare Deposits | | - | - | - | 325,000 | 325,000 |
| Total Collections | | 629,000 | 698,000 | 649,000 | 956,000 | 2,932,000 |
| Cash Available for Disbursements | | 632,360 | 745,778 | 650,485 | 804,994 | 2,833,617 |
| Disbursements | | | | | Projected | |
| General Disbursements | | 115,000 | 155,000 | 107,000 | 85,000 | 462,000 |
| Pharmacy | | - | - | 145,000 | - | 145,000 |
| Net Payroll | | 318,000 | 318,000 | 318,000 | 318,000 | 1,272,000 |
| Payroll Taxes | | 122,000 | 122,000 | 122,000 | 122,000 | 488,000 |
| 401(k) Funding | | 4,582 | 4,293 | 4,339 | 4,355 | 17,569 |
| Other Employee Benefits | | - | - | - | 148,000 | 148,000 |
| Worker's Compensation Premiums | | - | - | - | 63,495 | 63,495 |
| Insurance Premiums | | - | - | 35,260 | - | 35,260 |
| UST Fee | | - | - | - | 10,400 | 10,400 |
| Receiver Fee | | - | - | - | - | - |
| Bank Line Interest/Bank Fees | | - | - | - | - | - |
| Utilities | | 25,000 | - | 65,000 | - | 90,000 |
| Physicians | | - | 25,000 | - | 35,000 | 60,000 |
| Loan/Lease | | - | - | 4,893 | - | 4,893 |
| NY Sales Taxes | | - | - | - | - | - |
| Real Estate Taxes | | - | - | - | - | - |
| Professional/Receiver | | - | - | - | - | - |

| | | | | | |
|----------------------------|---------|----------|-----------|----------|-----------|
| Professional/Trustee | - | - | - | 15,000 | 15,000 |
| Professional/Committee | - | - | - | 15,000 | 15,000 |
| Prior Professional | - | - | - | - | - |
| Cash receipts assessment | - | 120,000 | - | - | 120,000 |
| Total Disbursements | 584,582 | 744,293 | 801,491 | 816,251 | 2,946,617 |
| Ending Cash Balance | 47,778 | 1,485 | (151,006) | (11,257) | (113,000) |
| Monthly Net Cash | 44,418 | (46,293) | (152,491) | 139,749 | (14,617) |

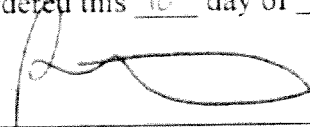
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NOV 18 2009

So ordered this 18 day of November 2009

NOV 18 2009
OFFICE OF THE BANKRUPTCY CLERK
OFFICE OF THE BANKRUPTCY JUDGE ALBANY, NY


Hon. Robert E. Littlefield, Jr.
Chief, U.S.B.J.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

-----X

Chapter 11

In re:

Case No. 07-11068-REL

HIGHGATE LTC MANAGEMENT, LLC *et al.*

Debtors.

-----X

**STIPULATION AND ORDER MODIFYING AND EXTENDING
THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS
TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; (B) Use Cash Collateral on a Consensual Basis; and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County, dated

November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to six prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009, March 2, 2009, April 29, 2009, June 24, 2009 and September 9, 2009, the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read January 13, 2010.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for January 13, 2010 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: Garden City, New York
November_, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital Corporation

By: /s/ Leslie A. Berkoff

Leslie A. Berkoff, Esq.

400 Garden City Plaza
Garden City, NY 11530
(516) 873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

By: /s/ Mark I Fishman

Mark I. Fishman, Esq.

195 Church Street
New Haven, CT 06510
(203) 821-2000

-and-

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for January 13, 2010 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: Garden City, New York
November_, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP
Attorneys for General Electric Capital Corporation

By: /s/ Leslie A. Berkoff
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400 Garden City Plaza
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(516) 873-2000


-and-

NEUBERT, PEPE & MONTEITH, P.C.
Attorneys for the Chapter 11 Trustee

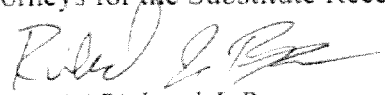
By: /s/ Mark I. Fishman
Mark I. Fishman, Esq.
195 Church Street
New Haven, CT 06510
(203) 821-2000

-and-

FARRELL FRITZ, P.C.
Attorneys for the Unsecured Creditors' Committee

By: /s/ Ted A. Berkowitz 
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1320 Reckson Plaza
Uniondale, NY 11556-1320
(516) 227-0647

-and-

TENTZER AND LUNIN LLP
Attorneys for the Substitute Receiver

By: /s/ Richard J. Brum
Richard J. Brum, Esq.
1775 Broadway, Suite 608
New York, NY 10019
Tel: (212) 262-6699

STIPULATION AND ORDER MODIFYING AND EXTENDING THE TERMS OF THE FINAL ORDER
AUTHORIZING THE DEBTORS TO (A) BORROW MONEY AND (B) USE CASH COLLATERAL
ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

| Highgate LTC Management LLC | Projected | Projected | Projected | Projected |
|---|------------------|------------------|------------------|------------------|
| Projected Cash Flows | Balance | Balance | Balance | Balance |
| w/e Friday | 12/04/09 | 12/11/09 | 12/18/09 | 12/25/09 |
| Beginning Cash Book Balance | (49,546) | (29,128) | 96,579 | (47,539) |
| Collections | | | | |
| General Deposits | 190,000 | 190,000 | 190,000 | 190,000 |
| Medicaid Deposits | 425,000 | 530,000 | 511,000 | 500,000 |
| Medicare Deposits | | | | 400,000 |
| Total Collections | 615,000 | 720,000 | 701,000 | 1,090,000 |
| Cash Available for Disbursements | 565,454 | 690,872 | 797,579 | 1,042,461 |
| Disbursements | | | | Projected |
| General Disbursements | 125,000 | 125,000 | 135,000 | 115,000 |
| Pharmacy | - | - | 150,627 | 80,000 |
| Net Payroll | 318,000 | 318,000 | 318,000 | 318,000 |
| Payroll Taxes | 122,000 | 122,000 | 122,000 | 122,000 |
| 401(k) Funding | 4,582 | 4,293 | 4,339 | 4,355 |
| Other Employee Benefits | - | - | - | 148,000 |
| Worker's Compensation Premiums | - | - | - | 63,495 |
| Insurance Premiums | - | - | 35,260 | - |
| UST Fee | - | - | - | 10,400 |
| Receiver Fee | - | - | - | - |
| Bank Line Interest/Bank Fees | - | - | - | - |
| Utilities | 25,000 | - | 75,000 | - |
| Physicians | - | 25,000 | - | 35,000 |
| Loan/Lease | - | - | 4,893 | - |
| NY Sales Taxes | - | - | - | - |
| Real Estate Taxes | - | - | - | - |
| Professional/Receiver | - | - | - | - |
| Professional/Trustee | - | - | - | 15,000 |
| Professional/Committee | - | - | - | 15,000 |
| Prior Professional | - | - | - | - |
| Cash receipts assessment | | | | 140,000 |
| Total Disbursements | 594,582 | 594,293 | 845,118 | 1,066,251 |
| Ending Cash Balance | (29,128) | 96,579 | (47,539) | (23,790) |
| Monthly Net Cash | 20,418 | 125,707 | (144,118) | 23,749 |

December
Totals

- (49,546)

760,000

1,966,000

400,000

- 3,126,000

- 3,076,454

- 500,000

- 230,627

1,272,000

- 488,000

- 17,569

148,000

63,495

35,260

10,400

-

-

100,000

60,000

4,893

-

-

-

15,000

15,000

-

140,000

- 3,100,244

- (23,790)

- 25,756

| Highgate LTC Management LLC Projected Cash Flows w/e Friday | Projected Balar 01/01/10 | Projected Balar 01/08/10 | Projected Balar 01/15/10 | Projected Balar 01/22/10 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Beginning Cash Book Balance | (13,790) | (59,372) | 45,335 | (34,156) |
| Collections | | | | |
| General Deposits | 190,000 | 190,000 | 190,000 | 190,000 |
| Medicaid Deposits | 375,000 | 500,000 | 525,000 | 485,000 |
| Medicare Deposits | | | | 425,000 |
| Total Collections | 565,000 | 690,000 | 715,000 | 1,100,000 |
| Cash Available for Disbursements | 551,210 | 630,628 | 760,335 | 1,065,844 |
| Disbursements | | | | Projected |
| General Disbursements | 110,000 | 85,000 | 75,000 | 65,000 |
| Pharmacy | - | - | 150,000 | |
| Net Payroll | 340,000 | 340,000 | 318,000 | 318,000 |
| Payroll Taxes | 131,000 | 131,000 | 122,000 | 122,000 |
| 401(k) Funding | 4,582 | 4,293 | 4,339 | 4,355 |
| Other Employee Benefits | - | - | - | 148,000 |
| Worker's Compensation Premiums | - | - | - | 63,495 |
| Insurance Premiums | - | - | 35,260 | - |
| UST Fee | - | - | - | 10,400 |
| Receiver Fee | - | - | - | - |
| Bank Line Interest/Bank Fees | - | - | - | - |
| Utilities | 25,000 | - | 85,000 | - |
| Physicians | - | 25,000 | - | 35,000 |
| Loan/Lease | - | - | 4,893 | - |
| NY Sales Taxes | - | - | - | - |
| Real Estate Taxes | - | - | - | - |
| Professional/Receiver | - | - | - | - |
| Professional/Trustee | - | - | - | 15,000 |
| Professional/Committee | - | - | - | 5,000 |
| Prior Professional | - | - | - | - |
| Cash receipts assessment | | | | 143,000 |
| Total Disbursements | 610,582 | 585,293 | 794,491 | 929,251 |
| Ending Cash Balance | (59,372) | 45,335 | (34,156) | 136,593 |
| Monthly Net Cash | (45,582) | 104,707 | (79,491) | 170,749 |

ice January Totals

01/29/10

136,593 (13,790)

80,000 840,000

350,000 2,235,000

425,000

430,000 3,500,000

566,593 3,486,210

85,000 420,000

100,000 250,000

318,000 1,634,000

122,000 628,000

4,300 21,869

148,000

63,495

35,260

10,400

-

-

110,000

60,000

4,893

-

-

-

15,000

5,000

-

143,000

629,300 3,548,917

(62,707) (62,707)

(199,300) (48,917)